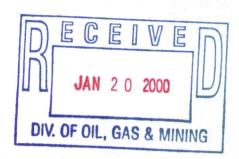
1/

FORM MR-AR

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple – Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801

> Telephone: (801) 538-5291 Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

- 1. Report Time Period: From (mo./yr.) 1/1999 To (mo./yr.) 1/2000
- 2. DOGM File Number (Mine No): M /041/008
- 3. Mine Name: Jensen Quarry
- 4. Mineral(s) Mined (or permitted to mine): Gypsum
- 5. Type of mine X Surface Mine or Underground Mine
- 6. Legal Description (Location of Lands Affected):
 - 1/4, 1/4, Section 22, Township 22S, Range 1W
 - 1/4, 1/4, Section 32 , Township 22S , Range 1W
 - 1/4, 1/4, Section 15, Township 22S, Range 1W
- 7. Name of Operator or Company: United States Gypsum Company
- 8. Permanent Street Address: 125 South Franklin Street

City, State, Zip: Chicago, IL 60606

Phone: (435) 896-2400

9. Company Representative (or designated operator):

Name: Les Moore

Title: Quarry/Mill Manager

Business Address: P.O. Box 570160 City, State, Zip: Sigurd, UT 84657

Phone: (435) 896-2450

X Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? X Yes

No

- 2. If no what was the last year of activity?
- 3. If yes how much ore or mineral was mined? 122,990 Tons
- 4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

Approximately 69,590 cubic yards of shale and clay were stripped using a dozer to expose gypsum in the open mining pits.

- 5. How much additional acreage was disturbed during the past year? 0 acres
- 6. How much acreage was reclaimed during the past year? 0 acre
- 7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
- 8. What is the total disturbed acreage of entire project at years end? 118.55 acres
- 9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Mining – Estimated 125,000 tons of gypsum will be mined from existing pits.

Approximately 2 acres will be additionally disturbed during 1999.

Reclamation - Approximately 8 acres are planned to be recontoured and reseeded during 2000.

NOTE: Section III., "Additional Information" applies only to <u>large mining operations</u>.

III. Additional Information

- 1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
- 2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Les Moore

Title of Operator: Quarry/Mill Manager

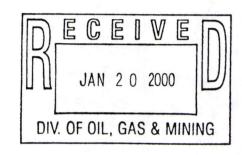
Signature of Operator: Jun Moore

Date: 1-17-00

m/41/008

January 08, 2000

D. Wayne Hedberg
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801



Re: 1999 Annual Report of Mining Operations

Dear Mr. Gallegos:

Please find enclosed documents concerning the Annual Report for the Year 1999 for our Jensen Quarry, Mine No. M/041/008 and San Rafael-Kimball Draw Quarry, Mine No. M/150/075.

The Annual Report for the Year 1999 shows the past year's activity at both the Jensen and San Rafael-Kimball Draw Quarries and the proposed activity for the production Year 2000. If there are any questions or additional information required, please feel free to contact me.

Sincerely,

Les Moore

Quarry/Mill Manager

(435) 896-2450

Le Moore

Enclosures